



PROPOSED TECHNICAL AND ECONOMIC RULES ON UNLICENSED¹ GENERATION

For insertion into the Technical and Economic Rules²

1. Definitions

1.1. In these Technical Rules (Economic Rules) any word to which a meaning is attached in terms of the Act has the same meaning and, unless the context indicates otherwise -

“connecting licensee” means -

- (a) in the event of off-grid standby generation, the licensee who provides electricity to the person who operates or intends to operate the off-grid standby generator (in the event of there being such a licensee);
- (b) in the event of on-grid standby generation and small scale in-feed generation, the licensee to whose electrical system the person who operates or intends to operate the on-grid standby generator or small scale in-feed generator connects or intends to connect such generator;

“generator”³ means any device which converts energy not derived from a licensee’s electrical system into electrical energy;

“net metering” means measuring the difference in an applicable billing period between the electricity provided by a connecting licensee and the electricity generated by a small scale in-feed generator that is fed back to the connecting licensee’s electrical system;

“off-grid standby generator” means a standby generator connected to an electrical installation and installed in such a manner so as not to be capable of feeding electricity into a licensee’s electrical system;

“on-grid standby generator” means a standby generator installed to be capable to connect to a licensee’s electrical system and to be synchronised with such electrical system but which, notwithstanding such connection, does not normally feed electricity into a licensee’s electrical system;

“operator” means a person operating a generator whether or not such person is the owner of such generator;

“own consumption” means for own use or consumption by the operator on premises of which the operator is the occupier;

¹ The Report, which preceded these Draft Rules, refers to “supplementary generation”. The most distinguishing factor of the type of generation dealt with in the Report and these Rules, and a factor which is common to all the types of generation dealt with therein, is that such generation will be unlicensed. These Rules further comprehensively deals with all types of unlicensed generation and therefore it is proposed that these types of activities collectively be referred to as “unlicensed generation”.

² When finalized and ready for inclusion in the Technical and Economic Rules, the rules proposed herein will be renumbered and inserted at the appropriate rules in the Technical and Economic Rules.

³ Note that the Electricity Act defines **“generation”** as “in relation to electricity, means the production of electricity by way of natural or artificial processes”. We must take care not to contradict this definition which appear in the main Act and which we are not allowed to contradict or change by means of subordinate legislation such as rules.



“renewable energy” means:

- (a) any renewable energy source, or a combination thereof, including, but not limited to, the following sources: hydro, solar, geothermal, waste heat, biomass and wind;
- (b) such other source as approved by the Board as qualifying as a renewable energy source;

“small scale in-feed generator” means a generator, as contemplated in rule 5, which connects to a licensee’s electrical network and which is capable of feeding electricity into the licensee’s electrical system;

“standby generator” means an off-grid standby generator or an on-grid standby generator providing an alternative source of electricity to a customer and used by such customer as a back-up or an emergency source of electricity in the event where electricity received by such customer from an electrical system fails, is insufficient or another reason exists necessitating such alternative source of electricity;

“unlicensed generation” means electricity generated from a standby generator or small scale in feed and **“unlicensed generator”** has a similar meaning.

2. Exemptions and additional regulation by Board

2.1 Pursuant to section 3(4)(j), read with section 43(1)(n), of the Act, a licence is not required in terms of section 17 of the Act for the following activities:

- (a) irrespective of the size thereof, a generator installed and operated solely for own consumption and provided that such generator is not connected to an electrical system;
- (b) standby generation and small scale in-feed generation.

2.2 The Namibia Electricity Safety Code, as issued by the Board under the Act, does not apply to unlicensed generation.

2.3 If the Board deems it in the public interest, necessary for the rational organisation of the provision of electricity or necessary to ensure uniformity within unlicensed generation activities, the Board may develop guidelines, codes of practice and model pro formae relating to any aspect of unlicensed generation which, if so determined by the Board, must be complied with by licensees and generators from the date determined by the Board.

3. Right to undertake unlicensed generation and right to resale

3.1 Subject to these Rules, any person may -

- (a) install and operate an off-grid standby generator;
- (b) install and operate an on-grid standby generator;
- (c) install and operate a small scale in-feed generator.

3.2 The operator of an unlicensed generator must operate such generator for own consumption and may only provide electricity generated by such generator, whether or not against compensation, to a third person under the following circumstances:



- (a) Where the operator is the body corporate of a townhouse development, a shopping development (such as a shopping mall) or any similar development located on a single premises registered as such with the Registrar of Deeds under the Deeds Act, 1937 (Act No. 47 of 1937) and where such body corporate is recognised as such under the Sectional Titles Act, 2009 (Act No. 2 of 2009) subject thereto that such body corporate may only provide electricity to persons occupying such premises;
- (b) if authorised thereto by the Board in writing upon prior application by the operator and subject to such conditions as the Board may determine.⁴

3.3 Where the operator requires compensation from such third person for electricity provided from an unlicensed generator, the charging of such compensation is subject to rules 5, 6, 7, 8, 9, 10 and 11 of the Rules on the Resale of Electricity and those Rules apply with the necessary changes to such compensation and such operator is deemed to be a reseller under those Rules.

3.4 Any question or dispute as regards a person's right to install and operate unlicensed generator or as regards a decision made or condition imposed by a licensee relating to unlicensed generation may be referred to the Board for mediation as anticipated in section 3(2)(d) of the Act.

4. Existing and new off-grid standby generators

4.1 Any standby generator, whether permanently or temporarily connected to a customer's electrical installation, is deemed to form part of such customer's electrical installation and is subject to all rules pertaining to such installation, specifically including the requirement for a certificate of compliance to be issued for the installation if such generator is installed or removed.

4.2 The presence of any standby generator must be stated explicitly on the certificate of compliance issued for the installation to which such generator is or may be connected, and such certificate must state the rating in kVA or kW of the generator.

4.3 The operator of an off-grid standby generator must ensure that such generator is electrically and mechanically interlocked in a manner which prevents parallel connection to the connecting licensee's supply main.

5. Existing and new on-grid standby generators and small scale in-feed generators

5.1 A person desiring to install and operate an on-grid standby generator or a small scale in-feed generator must, before installing such a generator -

- (a) in writing apply to the connecting licensee for such licensee's permission to install, connect and operate such generator;
- (b) provide, together with such application, all such information as the licensee may require which must include -
 - (i) the name and particulars of the operator and, in the event of the operator not being the owner, the name and particulars of the owner;

⁴ This clause is inserted to ensure flexibility in the system.



- (ii) the type of on-grid standby generator or small scale in-feed generator and such further particulars with regard thereto as the connecting licensee may require;
 - (iii) the location of the on-grid standby generator or small scale in-feed generator;
 - (iv) the date of the planned installation and commissioning of the generator;
- (c) obtain the connecting licensee's written authorisation for the installation of the on-grid standby generator or small scale in-feed generator subject to such reasonable conditions as the licensee may determine;
- (d) enter into a written interconnection agreement with the connecting licensee as regards such connection or in-feed.

5.2 The connecting licensee must -

- (a) give its permission as contemplated in subrule 5.1(a) where the applicant complies with these Rules and the reasonable requirements and conditions of the connecting licensee; and
- (b) accept feed-in from small scale in-feed generators into the connecting licensee's electrical system as long as such operator and generator comply with the licensee's reasonable conditions.

5.3 A small scale in-feed generator must comply with at least the following requirements:

- (a) Unless otherwise approved by the Board (which may be a specific or general approval), the energy source of the small scale in-feed generator must be a renewable energy source;
- (b) unless otherwise approved by the Board (which may be a specific or general approval), the small scale in-feed generator may not be larger than 50 kVA.

5.4 A person who, at the commencement of these Rules, operates an on-grid standby generator or a small scale in-feed generator must, within the timeframe stipulated by the relevant licensee, provided that such timeframe must be at least 12 months, in writing notify the licensee of the information stipulated in rule 5.1(b).⁵

5.5 The licensee must be notified of the first commissioning test and any subsequent test run to be carried out on an on-grid standby generator or a small scale in-feed generator installed under this rule, and may at any reasonable time –

- (a) require that a test run be carried out; or
- (b) inspect such generator.

5.6 The operator of a small scale in-feed generator is entitled to -

⁵ To discuss with stakeholders whether such person should also enter into a written agreement with connecting licensee as anticipated in subrule 5.1(d).



- (a) net metering from the licensee to whose electrical system the small scale in-feed generator is connected, subject thereto that the small scale in-feed generator is not a net exporter of electricity;
- (b) such other compensation by the licensee as the Board may approve.

5.7 The operator of an on-grid standby generator and a small scale in-feed generator must give written notice to the connecting licensee when intending to disconnect such generator or to permanently discontinue the operation thereof.

6. General requirements applicable to operators of unlicensed generators

6.1 The following requirements apply to all operators of unlicensed generators⁶ in so far as they are applicable:

- (a) An operator must comply with all statutory and regulatory requirements relating to health and safety, noise control, hazardous substances, emission control, environmental pollution and fire precaution and keep the nuisance and noise caused by the operation of such unlicensed generators to a minimum;
- (b) an operator must comply with the connecting licensee's reasonable conditions, technical and safety requirements and rules, the interconnection agreement and such reasonable instructions as the licensee may give to the operator;
- (c) an operator must maintain the unlicensed generator in a safe condition in order to prevent damage to the health and safety of persons and to the environment and must install, operate, maintain and inspect such generator in accordance with the manufacturer's instructions;
- (d) an operator must ensure that the unlicensed generator and all equipment, machinery and apparatus used by the operator in connection with such unlicensed generation are suitable for the purposes for which they are used;
- (e) an operator must ensure that all safety equipment relevant to the unlicensed generator is available, is kept in good working condition and is properly used and must further ensure that the quality of material used in, and the construction of, the safety equipment is suitable for the purposes for which it is intended;
- (f) an operator must ensure that only competent persons install such generator and perform work on the unlicensed generator;
- (g) where applicable, an operator must be in possession of a certificate of compliance for the unlicensed generator;
- (h) an operator must ensure that the electrical system, assets, equipment, staff and representatives of the connecting licensee is protected and kept safe from damage and harm;

⁶ This rule does not apply to stand alone generators – i.e. a generator operated in an area where there is no grid. To discuss with stakeholders whether this rule should also be applied to such stand alone generators.



- (i) an operator must allow the connecting licensee to enter its premises at such reasonable times as the connecting licensee may require, provide the connecting licensee with all such reasonable assistance as the connecting licensee may require and participate in such tests as the connecting licensee may require in order for the connecting licensee to inspect the unlicensed generator and must provide the connecting licensee with all such information as the licensee may reasonably require;
- (j) unless otherwise agreed between the operator and the connecting licensee, the operator is responsible for costs involved in connecting the unlicensed generator to the connecting licensee's electrical system including for all metering equipment required and all other interconnection costs;
- (k) unless on good cause shown, the operator must be the occupier of premises on which the unlicensed generator is located.

7. Requirements applicable to licensees regarding unlicensed generators

- 7.1 In order to allow for the rational regulation of unlicensed generation as contemplated in these Rules, a connecting licensee must -
 - (a) develop the necessary environment, structures, documents, conditions and requirements for unlicensed generation in order to allow for applications, conditions, safety measures, inspections, metering, information, agreements and other activities contemplated in these Rules;
 - (b) ensure that it develops uniformity in its approach to and regulation of unlicensed generation and in as far as possible make use of standardised documents, agreements, forms, conditions, requirements and the like;
 - (c) promote transparency and predictability in its approach towards, decisions as regards and regulation of unlicensed generation;
 - (d) include relevant aspects hereof in its connection charge policy.
- 7.2 A connecting licensee must keep information developed as contemplated in subrule 7.1 readily available and accessible to any person interested in unlicensed generation.
- 7.3 The following general requirements apply to all connecting licensees as regards unlicensed generators:
 - (a) Connecting licensees must respond to applications, queries, issues and the like relating to unlicensed generation within a reasonable time and must provide reasons for their decisions;
 - (b) connecting licensees must develop a net metering system and such other form of compensation as may be approved by the Board in order to recognise electricity fed into their electrical systems by operators of small scale in-feed generators as contemplated in these Rules;



- (c) subject to section 28 of the Act, connecting licensees may impose reasonable fees for functions it must perform as regards unlicensed generation such as application fees and inspection fees but subject thereto that such fees must be reasonable, fair and cost-related.

7.4 A connecting licensee may impose reasonable conditions and requirements on unlicensed generation⁷ and such conditions and requirements may include:

- (a) The identification of a person responsible for electrical safety;
- (b) the identification of a person responsible for connection specifications;
- (c) the specification of minimum technical requirements and other safety requirements with which operator must comply;
- (d) the specification of reasonable design requirements of equipment proposed to be connected to connecting licensee's electrical system.

7.5 A connecting licensee may -

- (a) at any reasonable time enter the premises of an operator for purposes of inspecting such operator's unlicensed generator, generation activities and any associated equipment, machinery and apparatus or information;
- (b) request the operator to provide the licensee with such reasonable assistance as the licensee may require;
- (c) require the operator to run such test as may be specified by the connecting licensee;
- (d) require the operator to make such changes or additions as the connecting licensee may reasonably require.

7.6 A connecting licensee may disconnect or order the disconnection of an unlicensed generator from its electrical system -

- (a) if the continued operation of the unlicensed generator is dangerous to the licensee's assets, electrical system, staff or representatives;
- (b) to maintain safe electrical operating conditions;
- (c) if the unlicensed generator does not meet the required technical, safety or other requirements set by the connecting licensee;
- (d) if the unlicensed generator adversely affects or endangers any person, the property of any person, the connecting licensee's operation of its electrical system or the quality of the connecting licensee's services to customers;
- (e) if the operator fails to comply with the interconnection agreement.

⁷ To discuss whether this should also apply to stand alone generation.



7.7 In the event of noncompliance by the operator with the interconnection agreement, the connecting licensee may suspend or terminate any interconnection agreement.

8. Information requirements relating to unlicensed generators

8.1 A connecting licensee must keep -

- (a) a register of all unlicensed generation of which such connecting licensee has been notified or has given permission to under these Rules and must include in such register at least the information specified in subrules 4 and 5.1;
- (b) copies of all interconnection agreements concluded by the connecting licensee for such period as the Board may determine;
- (c) such other information for such period as the Board may determine.

8.2 A connecting licensee must provide the Board with such information as the Board may require within the timeframe specified by the Board or, if so requested by the Board, provide the Board with access to such information.